

of the well-known Kiplinger Agricultural Letter, John Harms.

Mr. Harms expressed to the group his view of the new direction in which U.S. farm policy is moving, and his ideas as to what actions we as Members of Congress can take in response to these new developments in agricultural policy.

Mr. Harms' constructive approach to the political issues of the farm problem is to be highly commended, and his proposal, while by nature controversial and beset with problems, has definite merit, and must be carefully and thoughtfully considered.

Mr. Speaker, under unanimous consent, I insert the text of Mr. Harms' presentation at the House Republican Agriculture Task Force luncheon meeting in the RECORD, and urge all my colleagues on both sides of the aisle to give Mr. Harms' recommendation serious and thoughtful study.

TEXT OF A PRESENTATION BY JOHN HARMS, EDITOR, KIPLINGER AGRICULTURAL LETTER, AND NATIONAL FARM EDITOR, MUTUAL BROADCASTING SYSTEM, AT A HOUSE REPUBLICAN TASK FORCE ON AGRICULTURE LUNCHEON MEETING, SEPTEMBER 18, 1965

Let me say at the outset that I am honored and privileged to have been invited to be your guest today—in fact, humbled to be given this opportunity. This is because I am merely a reporter of farm affairs—a man whose life is devoted to reporting and interpreting the often historic activities of you men in Congress, you men of action. I come to you as a reporter, and not as a farm expert, for that I am not. I dare say each of you knows more about agriculture and its practical problems than I do, so it seems a bit presumptuous of me to appear here before you.

Much has been written and said about farming and its problems, particularly in this historic year for agricultural legislation. Because of this, any further comments by me would probably only help to further confuse what's going on, so perhaps I should simply thank you for this opportunity and sit down. That's what a smart reporter would do—but since I'm not a very smart reporter, you'll have to make the best of it as I add my few words to the torrent which already engulfs us.

I would like to hit two major points today and hope they might be helpful in your deliberations as you work toward the development of a new approach to the farm problems. First, I want to give you my idea as to where agriculture is heading, and then I'd like to give you my ideas as to where you, as Congressmen fit in, and more particularly, where you as Republican Congressmen fit in.

We all know that the agricultural industry is going through an enormous revolution and upheaval. This starts with the well-known technological revolution which continues to roar ahead with no end in sight. As a matter of fact, I don't think it will ever end. The economic and social effects of this technological revolution certainly will abate within the next 10 years, but the application of science will continue indefinitely and I think it must continue if we are to meet the ever greater challenges of food and fiber production in all of the years ahead.

The technological revolution, moreover, has brought with it several other revolutions—those in the economic and social fields. On the social front, of course, is the monstrous upheaval going on among the farmers who cannot hope to make a good living from farming alone. We've lost a million in the past decade, and I dare say about 2 million more stand a very good chance of sharing the same fate within the next decade.

I believe that the squeeze on 2 million out of our present 3½ million farmers will be even more severe over the next 10 years than it has in the past 10.

Moreover, I am one of those who is convinced that we will wind up with 1½ million or even 1 million commercial farmers producing 100 percent of all our needs in the future. And I believe that this will become clear to all before 1975 rolls around—just 10 years off.

So, what's happening? You have a revolution going on in rural America affecting the people who are being pushed out of farming, and you have a revolution going on affecting the people who will become the backbone commercial farmers of this country. Each group has its own great social and economic problems.

Now there's a lot of hot air let off here in Congress over what should be done—if anything, to help these two groups of rural Americans solve their problems. Much of it, of course, is for home consumption, and that's fine. Much of it is pompous platitude. But beneath all of this, I know there is a serious concern and effort among all Congressmen to come up with meaningful solutions.

I think you can cut through a lot of this confusion if you recognize that you are not going to be able to stop the decline in farm numbers. You are not going to be able to stop the organizational and structural changes of our commercial farms. You are not going to be able to stop the integration of the hog and cattle business, just as you have not been able to stop the integration of the poultry business.

Oh, you may be able to slow down certain aspects of these developments, and you may be able to control them to an extent—but let's not kid ourselves as to what appears to be inevitable—the application of big business to farming. This goes far beyond the cliché of the farmer becoming a businessman. It entails the moving into farm production of outside capital and outside managers and directors of farm production.

The production of food and fiber is seen by so-called outsiders—farm-related businessmen on both sides of the farmer, and other kinds of businessmen—as one of the great untapped and mismanaged sources of wealth in this country. They are going to integrate farm production in with other aspects of agriculture. For example, there will be more of feed companies or food wholesalers and retailers investing in, and thus controlling farm production. While basic, the production of food and fiber shows every sign of eventually being integrated into other related businesses. Another example: you may very well see large chemical companies getting into farm production. I know of one company planning to do this because it feels it can do a better job than an independent farmer can. They've got millions tied up in farm research and they'll put it to practical use.

We talk of the enormous demand for food and fiber production that will develop over the next 15, 20, 30 years and beyond. Big thinkers in the business world are looking ahead and planning ahead to the coming U.S. food and fiber market—represented by 250 million people within 20 years, and somewhere well above 300 million Americans within only 35 years. Whoever controls farm production in those coming years is going to be in a dominant economic position. A position, needless to say, well worth fighting for.

We hear a lot of talk about saving the family farm. And we hear forecasts that the family farm will continue to be the backbone of American agriculture. I happen to think that's a lot of baloney. For one thing, the new cropland adjustment will, in effect, buy a million or more family farms right out of existence. I've said that some 2 million

farms will disappear before the end of the 1970's. These are all family farms. And despite the lipservice given family farms, public policy is, in fact, aimed at wiping out two-thirds of our family farms.

And what about the 1 million commercial farmers we think will continue to operate. I don't think you can take for granted that they will continue to be independent. I see nothing on the horizon that's going to prevent the gradual takeover of even these 1 million commercial farmers. Just what is there that Congress can do about that?

Once you convince yourself that this is the way things are going—and I'm convinced we ain't seen nothing yet—once you're convinced of this, maybe you've got to make a value judgment. Is all this good or bad for the country? Congress must decide that one. And then it must decide what to do about it, if anything.

That's generally what I think is coming in the farming business out across the country.

I'm trying to get across the idea that what I call outsiders are going to move in as big as possible into farm production. And I define "outsiders" as those who are neither farmers nor their representatives.

In addition to the "outsiders" moving in out on the farm, it is clear that they are moving in right here in Washington where public farm policy is being made. To me it is absolutely clear that farm policy now, in fact, is in the hands of outsiders. And I am convinced that future Federal farm policies and programs will reflect more the self-interest of nonfarmers than of farmers. The events of the past year nail that down, leave no doubt about it—and there is no turning back.

To think that farm policy is at a crossroads is bunk. It has gone beyond the crossroads and is heading down a very specific path, as I've outlined. The choice was not made by farmers or by nonfarmers. There was no choice. It was inevitable, and farmers, farm groups and farm district lawmakers better wake up to the new farm policy development if they hope to get a sympathetic ear in Congress or in the Government.

The evidence of the new outside influence is this:

For the first time, off-farm businessmen have successfully forced key changes in a farm law—changes which otherwise would not have been made. The Agricultural Act of 1965 is the first piece of legislation heading down the new, nonfarm oriented direction. These changes include the reduction in cotton price supports to world levels—a prime goal of the textile industry. They include the defeat of the proposal to pass along some of the cost of Government wheat programs to the consumer, who can well pay for it—at the behest of millers and bakers. They include the defeat of the administration's rice proposals, which also would have increased processing costs while cutting Government costs. Much of this can be laid to the rice industry. Businessmen have tasted victory on the legislative public policy front. I look for them to have even more influence in future legislation. To them, public farm policy now is becoming as much a part of running a business as are computers.

But businessmen are not the only outsiders moving in. There's labor. This year, for the first time, organized labor is having a profound influence on farming. The unions were the prime motivators ending the bracero program last year. They are responsible for the cargo preference decision on wheat sales to Russia. But above all, they are the ones who eventually will bring the minimum wage to agriculture, and all which that implies—including the 8-hour day and farm unionization. To me, this will turn out to be the most revolutionary single piece of legislation to hit farmers since before the war.

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Now, I am not saying that any of this is good or bad—I merely point out what I think is happening—and it is big.

What it amounts to is that special interest groups are moving in on farm policy, as they never have before. And that brings me to my second major point—what farm State Congressmen can do about it. Bear in mind, I have no panacea—just the germ of an idea which can work in one form or another, not necessarily as I outline it.

With farm political representation and power shrinking fast, farmers have become just another small special interest group. Unless there is some cohesion in farm ranks, they are going to be overpowered by other highly financed lobby groups. Farmers as an industry have never really gotten together, for various reasons. The farm organizations reflect this individuality. They could eventually get together as they once were—but that's another story.

One thing I think must come is the rising of a new farm bloc right here in Congress—another special interest group to counterpunch the power of other special interest groups. And Republican and Democratic Congressmen from farm districts can do this—if their concern goes beyond the bleeding heart stage.

Because farm voting numbers will be less of an election factor—except in a few districts—why can't congressional candidates bury the hatchet on farm problems in their own districts? It seems to me that Republicans and Democrats are coming closer to agreement on what's good for farming in their own districts than they've been in a long time. There is naturally, a great straining during election campaigns to point up differences over farm policy between candidates. I think in many cases this is more apparent than real.

Let them publicly agree on a broad approach to farm policy—take it out of district politics, if possible. Let the candidates fight it out over other more real issues. Then, no matter who is elected, he can come to Washington and join the club—join a new, select bloc seeking solutions on the basis of what's good agriculture, not what's good politics. The President is going to set up a blue-ribbon commission on food and fiber. Why can't Congress have its own unofficial blue-ribbon commission? This small, but bipartisan group could be effective enough to protect and propose for the farmer.

There once was a Republican-Democratic farm bloc. There now is probably more need for a new one, on a different basis, than any time in a decade. I say the climate for the nourishment of such a new farm bloc couldn't be better—and it will improve. This, basically, because it is my feeling that Republicans and Democrats are coming closer as to the general principles of a farm program.

In closing, just let me say that I am awed at what I think is coming in agriculture—an almost fantastic upheaval—and you may have to go to some fantastic lengths to keep up and help out.

FEDERAL FIREARMS REGULATIONS TO BE ENFORCED AGAINST MARYLAND GUN BUYERS

(Mr. CURTIS (at the request of Mr. Reid of New York) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CURTIS. Mr. Speaker, I read with great interest an article in the September 14, 1965, issue of the Washington Post entitled "D.C. Checks Maryland Gun Sales." The article states that the Alcohol and Tax Division of the U.S. Internal Revenue Service is now requiring that

the names of Washington residents who buy guns in Maryland be supplied to Federal authorities, Metropolitan Police and the U.S. Attorney's office in the District of Columbia. I would like to commend the Internal Revenue Service for taking this action to enforce the Federal Firearms Act and the National Firearms Act, action which is long overdue in light of the large number of gun sales by Maryland dealers to District residents with criminal records.

On July 12, 1965, during the hearings of the Ways and Means Committee on new legislation to control the sales of firearms, Mr. Sheldon S. Cohen, the Commissioner of Internal Revenue, made reference to the startling and alarming case of a Maryland gun dealer who sold 40 percent of his handguns to District of Columbia residents with criminal records. Mr. Cohen stated, and I quote from his testimony:

There is no doubt whatsoever that a principal source of procurement of concealable weapons by the criminal element in the District of Columbia is from nearby gun dealers in Maryland and Virginia. The records of one, located in Chillum, Md., shows that 53 percent of their handgun sales during 1964 and 1965, were to residents of the District of Columbia. Subsequent criminal records checks on these purchases reveal that 40 percent of them have criminal records in this city's police files.

Mr. Cohen went on to urge the Congress to "aid the law enforcement officers in metropolitan areas who are trying to cope with the crime problem by adopting these amendments to the Federal Firearms Act." I became very concerned with this problem of law enforcement in the area of firearms sales, and I endeavored to discover just what regulations the Internal Revenue Service had promulgated to enforce the Federal and National Firearms Act. My questioning of Mr. Cohen along these lines was very revealing and I quote from the record of the hearings—which, I am sorry to say, is not yet available to the Members of this House in printed form—as follows:

Mr. CURTIS. My first question is: Has that single hardware store in Chillum, Md., had its license revoked? That is a yes or no question.

Mr. COHEN. No.

Mr. CURTIS. Why not?

Mr. COHEN. The revocation of a license as I recall it on the statute is only after conviction of a violation of the act.

Mr. CURTIS. No, I am afraid it isn't just that. Your regulations say that if a person who is convicted, or is under indictment, or a fugitive from justice—

Mr. COHEN. This is none of those three, sir.

Mr. CURTIS. I am talking about the people that he sold it to.

Mr. COHEN. No, sir. You asked me if we had taken the license away from the dealer.

We have not because he has not been indicted. He has not been convicted.

Mr. CURTIS. I am not talking about the dealer. I am talking about the fact that the guns were sold in violation of the Federal Firearms Act to people with criminal records; as this very statement said, 40 percent of the purchasers have criminal records. This is a violation under your regulations on the part of the dealer who cannot sell—

Mr. COHEN. We have been studying and we are contemplating recommendation of indictment of the individual felons for then transporting those weapons across a State line which is a felony.

Mr. CURTIS. Please. I am asking only one question at this point. The dealer involved, the hardware store—

Mr. COHEN. He kept the required records under the act, sir. He did not know these people were felons.

Mr. CURTIS. Wait. Do you know that?

Mr. COHEN. We questioned him. He didn't know these people. Our people have been out to see him.

Mr. CURTIS. I wonder.

Mr. COHEN. How do you think we got this information, sir? We got this information from his records.

Mr. CURTIS. That is exactly what I want to know, how you got the information, and what you did about it, because, if I can find the proper points here, the regulations provide for revocation. I am looking for the violation for selling to a person who is a felon or fugitive.

Mr. COHEN. I don't believe you will find any.

Mr. CURTIS. It is actually statutory.

Mr. COHEN. This is an intrastate sale, sir. This is not an interstate sale.

Mr. CURTIS. I am not talking about that. I am talking about whether it is or isn't a violation of the act.

Mr. COHEN. It is not, sir. I can tell you. Under the proposed act it would be a violation if he knows he is from out of State.

Mr. CURTIS. Yes; 177.83: "It shall be unlawful for any person to ship, transport, or cause to be shipped or transported in interstate or foreign commerce any firearm or ammunition to any person knowing or having reasonable cause to believe that such person is a fugitive from justice or is under indictment for, or has been convicted of, a crime punishable by imprisonment for a term exceeding 1 year by or in any court."

Mr. COHEN. He didn't ship it, didn't cause it to be shipped, or had no knowledge of these people's records.

Mr. CURTIS. You are a good advocate for your position.

Mr. COHEN. Thank you, sir.

Mr. CURTIS. But I am trying to ask questions to understand it. You have a single hardware dealer in this situation. The records show that 40 percent of the purchasers from the District have criminal records, and he was located in Maryland.

Mr. COHEN. It is just a few blocks across the line.

Mr. CURTIS. I understand where it is, but it is nonetheless across the State line.

Discovering that the IRS did not feel it had the authority to revoke the license of a dealer who sold guns in interstate commerce to persons with known, and sometimes very long, criminal records, I next tried to find out whether or not the dealer had reason to believe that his purchasers were criminals and his sales illegal. Thinking that the dealer might have failed to keep the required record of his sales, I asked:

Now, you also have a provision that says that if he knew or had reasonable cause to believe his purchasers were criminals that the sales were illegal. One can make a pretty good case, I would say, if 40 percent of those purchasers turned out to have criminal records, that there was something wrong here, in the case of a single dealer. That dealer surely had an idea of his clientele. These criminals could not have appeared to him to be sportsmen.

I determined from the Attorney General yesterday that under the statutory provision requiring dealer to keep permanent records, one of the requirements is that dealers have to record the name and address of every person to whom you sell. I refer to this requirement when I cite the case of the hardware dealer in point, and I mean to conclude across-the-counter sales.

Now I quote from 177.51, "Firearms records":

"The name and address of each person from whom such firearm (if not the manufacturer's own product) was received together with the date of acquisition; and disposition made of each firearm including the name and address of the person to whom sold and the date of disposition."

The Attorney General said as I recall, "Well, maybe some of these were fictitious names."

Of the 40 percent were they fictitious names?

And Mr. Cohen replied:

Mr. COHEN. No, sir, he kept accurate records. He got these people's names as best he could. He did exactly what the act required him to do, but he didn't have a record of all the felons in the District of Columbia so he didn't know who they were.

If the dealer did keep accurate records of his purchasers, then it seemed logical that he might check with the Metropolitan Police in the District to see if any of these gun buyers had criminal records. I inquired of the IRS' regulations in this area.

The testimony follows:

Mr. CURTIS. I am coming to this point next. What requirement is there of the Internal Revenue Service that these lists of sales of firearms on a daily basis, or a weekly basis, be referred to the police authorities for checking? Is there any?

Mr. COHEN. No, sir. We don't have that authority, sir.

Mr. CURTIS. You don't think that you have that authority, under the clause of reasonable cause, in order to enforce the law.

Mr. COHEN. We are talking about 104,000 dealers. I don't think we can do it.

Mr. CURTIS. You are answering "No"?

Mr. COHEN. No, sir.

Mr. CURTIS. What you are really saying is that you think, or as I interpret your answer, that it is a matter of personnel.

Mr. COHEN. No, sir; I think it is two reasons. I don't think we have the authority and I think if we did have the authority it might be impracticable, anyway, but we don't have the authority.

Mr. CURTIS. So what do you do with these permanent records that are supposed to be kept? Incidentally, under your regulations you prescribe that they must be kept for 10 years.

Mr. COHEN. Yes, sir.

Mr. CURTIS. What use is made of those by the Internal Revenue Service?

Mr. COHEN. If firearms are found to be used in an unlawful manner we can check back to find out who acquired the weapon and how and when.

Mr. CURTIS. You are saying what you could do.

Mr. COHEN. We do do it. We also use it to determine violations of the act when persons are not keeping proper records.

Mr. CURTIS. You are now showing me, I think, that your previous statement was inaccurate; that you do have the authority to take these lists and refer them to the police department.

Mr. COHEN. No, I said we don't have the authority. We send an agent out to check on a specific transaction perhaps.

Mr. CURTIS. In that position you then have your agent go—

Mr. COHEN. I would like to have the authority that you are saying we have, sir. On occasion it would be very useful.

Mr. CURTIS. I think you have it. I will be very honest with you.

Mr. COHEN. You are a good enough lawyer, sir, so I think you can argue the case of the defendant very well here, sir, and box my ears I suspect.

Mr. CURTIS. No; this has nothing to do with my ability. It has to do with the English language and the interpretation of it that is necessary in order to reasonably enforce an act. To me it is just almost elementary that the Treasury Department would show some interest in being sure that these were bona fide names in the first place and, secondly, that this was not a violation of the act.

To enforce it you simply ask the dealer if he knew or had reasonable cause.

Now, what would be reasonable cause to know? Why, wouldn't it be perfectly within the purview of the regulation under reasonable cause to know that he checked with the police authorities to see whether or not this person whose name was given actually had a criminal record?

Mr. COHEN. Could he check in California? The man is in Chillum, Md., buying a gun. He is to check 50 States to determine whether this man has a felony record in each of those 50 States.

Mr. CURTIS. As you say, you have to take the first step. What step did you take as the first step?

Mr. COHEN. If he had checked with the Chillum police he would have found zero on these people. They had no record in Maryland.

Mr. CURTIS. I will just follow this a little bit with you. I think you are playing with me.

Mr. COHEN. No, sir; I think you are playing with me.

Mr. CURTIS. No; I am trying to get some of the facts here, Mr. Cohen. The buyer gives his name and address to the dealer. One of the first steps would be to at least check with the police authorities in the area where his address is to find out if he had a criminal record, right?

Mr. COHEN. In 1957—

Mr. CURTIS. Please answer the question.

Mr. COHEN. That is right, but we tried in 1957 to ask that each of these people sign a document and we were unsuccessful.

Mr. CURTIS. Look, answer the question first and then give me your explanation. Wouldn't this be a reasonable requirement?

Mr. COHEN. I don't think it would be a reasonable requirement under this statute. It might be a reasonable requirement between you and I, I would agree with you; yes, sir.

Mr. CURTIS. You don't think it is a reasonable requirement under the statute.

Now, then, you had an explanation in support of your view.

Mr. COHEN. In 1957, when amendments to these regulations were first raised, it was proposed at that time that each of these people sign a document so that we had a signature and if it was a forged signature, forged identification, we would have an additional way of getting at these people.

Mr. CURTIS. Where they have a forged signature or given a wrong name. How do you check that now?

Mr. COHEN. In 1957 in order to be able to check that we wanted to amend our regulations so that that would be required of each purchaser, that that record might be maintained in the hardware store that we are talking about.

At that time 30 some members of this House appeared before us saying that we did not have that authority and I might say we received letters from over 100 Members of the House saying we did not have that authority.

Mr. CURTIS. Is that the way you make decisions in the Internal Revenue Service? I am glad to know that, Mr. Cohen. I was unaware that that was happening. I have written many letters to the Internal Revenue Service where I was in disagreement with their interpretation and your organization very rightly wrote back and said that the responsibility is yours to interpret the law.

Mr. COHEN. Of course, I might take a different position.

Mr. CURTIS. You wouldn't argue seriously that that is an answer to the question that a group of Congressmen wrote you letters and said that they didn't particularly like it or they questioned whether you had the authority.

That isn't a real answer is it?

Mr. COHEN. It shows we have the same problem in the regulation area that we are having with this bill. It also shows that many of your colleagues might disagree with you, sir.

Mr. CURTIS. I am fully aware that they might disagree with me, but the best way to find out whether they do so on merit is to take this record we are trying to make here and find out how you people have interpreted the law, how you have enforced it, and to discover whether or not suggestions of how you might enforce it are within reason.

Mr. Cohen then stated that his predecessors did not feel it necessary to require a dealer in firearms to check on the possible criminal record of his purchasers, but that he would rethink the problem. The testimony runs as follows:

Mr. CURTIS. And the third question, and apparently this gets down to procedure, your procedure is not to have the hardware dealer check with the police department of the area where the address is to find out whether they have this person listed as one convicted of a crime.

Mr. COHEN. That's right.

Mr. CURTIS. You don't regard that as a requirement to satisfy reasonable cause.

Mr. COHEN. That is right, sir.

Mr. CURTIS. Now let's get back again. Don't you think that that is within the purview of a requirement to enforce this act that you ask the dealers?

Mr. COHEN. My predecessors did not. I would like to rethink the problem in the light of some of the questions you have raised, but I don't think that obviates the necessity for this legislation.

Mr. CURTIS. Now you are begging the question. We will get to that. That is what we have to do, this committee, at any rate, in order to understand whether you need the legislation. We have to first find out what you have done with the legislation that has been given to you.

I am encouraged by your saying now that you might rethink of some of the things your predecessors did or don't do. I am not trying to fix blame here.

Mr. COHEN. No, sir, I don't think you are.

Mr. CURTIS. I think probably if we got down to it we would find that insufficient attention by all of us was directed to this area and brought to a head so to some degree—

Mr. COHEN. But we think very frankly that the statute is skimpy and not broad enough to cover all of these things that you have mentioned here that both of us agree should be covered. Both of us think this is too skimpy.

Mr. CURTIS. Exactly, but you haven't come in here prepared to testify in detail so that we could understand what you actually have done, what you hadn't done. Had you done certain things the bill wouldn't perhaps be required.

The Commissioner said that it would be impossible for the dealer to discover whether or not his purchasers have criminal records. Yet the Internal Revenue Service had discovered, through a simple check with the police force of Washington, that 40 percent of this Chillum, Md., dealer's customers had criminal records.

I quote again from the hearings:

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Mr. CURTIS. I have one thing I wanted to specify in the information I requested. Getting back again to the point of whether the dealer had reasonable cause to believe that such person was a fugitive from justice. It would seem to me within the purview of reasonable cause that you require a dealer to at least call the police of the area where that person's address is located, and in respect to the specific cases that have been cited, I now have page 8, of your testimony, in which you refer to the same case to which the Attorney General referred of the dealer in Chillum, Md., where 40 percent of his customers were shown to have criminal records.

Well, I hadn't realized it. This is your testimony: "Subsequent criminal records checks on these purchasers revealed that 40 percent of them have criminal records in the city's police files."

So a telephone call by the dealer to the police force of Washington, D.C., would have revealed this.

Mr. COHEN. That is correct, sir.

Mr. CURTIS. You argued that it would be very difficult to cover 50 States, and so forth, which I recognize could be true in order to do a complete check. I said that at least you should take the first step.

Mr. COHEN. The first step here would be to call his own local police. He doesn't know this felon.

Mr. CURTIS. No, no; I would say the best thing here in this case, where a person gives a District of Columbia address, would be to call the District of Columbia Police.

Mr. COHEN. Suppose he gives a California address?

Mr. CURTIS. I don't care where the address is. The fact is that you state that 40 percent of these customers had criminal records in the District of Columbia's Police files. So a telephone call, which certainly not stretching the words "had reasonable cause to know," just to ask him to check with the police force of the area where the guy gives his address, would have stopped this and nipped it in the bud.

I was appalled at the lack of enforcement of the existing firearms legislation. Commissioner Cohen had stated that he thought the IRS did not have the authority to require such a simple act as a phone call from a dealer to a customer's hometown police force. He did, I am glad to note, indicate that he would rethink the problem and so I asked:

Mr. CURTIS. While we are waiting for this legislation maybe you could start to put out a regulation saying that you expect licensed dealers to make at least a check with the local police.

Mr. COHEN. I will be glad to study our authority to do that, sir.

Mr. CURTIS. I thought we agreed that you had that.

Mr. COHEN. I didn't say that I was sure that I did, sir.

Mr. CURTIS. All right.

Mr. COHEN. I used to be a functioning lawyer. I am now an administrator. I would like to check with my lawyers on what my authority might be.

Mr. CURTIS. It would be very interesting if under the authority that you are given in this act to write regulation necessary to carry it out and make it meaningful, if you can't interpret "shall have reasonable cause to believe" first by being sure that they give a proper name by requiring identification, which you have said that you thought you had authority to do, and then the second step, which is so obvious, to call the police of the area where the person gives the residence.

Mr. COHEN. I would be glad to study that, sir, but I don't believe that releases the urgency of this particular problem.

GUN SALES

The results of the Internal Revenue Service's study of their authority under

the National and Federal Firearms Act was revealed in the Washington Post article, which reads as follows:

[From the Washington (D.C.) Post, Sept. 14, 1965]

DISTRICT OF COLUMBIA CHECKS MARYLAND GUN SALES

(By Leonard Downie, Jr.)

The names of Washington residents who buy guns in Maryland are being supplied by Federal authorities to Metropolitan Police and the U.S. attorney's office here, according to Tim Murphy, chief assistant U.S. attorney in the court of general sessions.

The names are checked by police for prior criminal records and those gun buyers with records are reviewed by Murphy for possible prosecution under Federal and local laws.

District citizens convicted of a felony who buy a gun in Maryland and then bring it to Washington are violating a Federal Firearms Act section prohibiting the interstate transportation of guns by felons, Murphy said.

Under District of Columbia law it is a felony, carrying a 10-year maximum sentence, for a person convicted of a previous felony, of guns by felons, Murphy said.

Washington law also prohibits certain other types of citizens, including narcotics addicts, from possessing guns.

Murphy explained that an official of the Alcohol and Tax Division of the Internal Revenue Service, which enforces Federal gun laws, regularly investigates gun purchases in Maryland for the names of District residents buying firearms there.

Under this procedure, which now affects only guns bought in Maryland, some offenders have been indicted for both District and Federal gun law violations. Alcohol and Tax Division officials were reluctant to release statistics on the number of individuals affected by the procedure.

I am very glad that the IRS has discovered this authority and has begun to put it into practice in the sales of Maryland gun dealers. This is the necessary first step toward a crackdown on illegal sales of firearms to criminals; I am hopeful that the IRS will extend this regulation to cover the rest of the Nation as well, if this is feasible with the present manpower available to the Service for firearms enforcement. It is important that, before we rush to pass new legislation in the area of firearms control, we first examine carefully the present laws to determine if they are being properly executed. The hearings of the Ways and Means Committee on the firearms bills revealed some major deficiencies in the enforcement of our present firearms law, but these deficiencies, the Post article seems to indicate, are now in the process of being corrected. After we have allowed the Internal Revenue Service enough time to test the effects of these new regulations, we may then re-examine the need for new legislation.

PHONEY BALONEY IN WELFARE SPENDING

(Mr. YOUNGER (at the request of Mr. REID of New York) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. YOUNGER. Mr. Speaker, Roger A. Freeman of the Hoover Institution on War, Revolution, and Peace of the Stanford University, has written an article entitled "Phoney Baloney in Welfare Spending," which I think is quite interesting. Congress will find quite interesting.

The article follows:

[From National Review, Sept. 21, 1965]

PHONEY BALONEY IN WELFARE SPENDING

(With sharp eye and hard head, a noted analyst looks at Federal accounts, concluding that there is a great deal more there than meets the eye.)

(By Roger A. Freeman)

Those of us who have been troubled by the explosive growth of governmental activities in recent years and by the threat they pose to the freedom and responsibility of the individual can relax. We have all been mistaken and government is not really growing when we view it in meaningful terms. I have that on the highest authority in the land. The President himself said so in a speech to the CED (Committee for Economic Development): "Total Federal spending in 1965 will be the lowest in 14 years in terms of our gross national product. Non-defense spending will be lower than it was 30 years ago in terms of our gross national product (GNP). There are fewer Federal employees now than there were a year ago when I took office." Mr. Johnson also offered a cheerful outlook in his January 1965 budget message: "... we have good reason to expect that Government expenditures in the years ahead will grow more slowly than the gross national product, so that the ratio of Federal spending to our total output will continue to decline."

We probably ought to feel as comforted by L.B.J.'s assurances as the 6-foot-tall traveler who was told that the river he was about to cross had an average depth of 3 feet. The story has it that he drowned nevertheless, a victim of averages. Federal officials and agencies are now flooding the public with tricky statements such as those I cited above which, unless contradicted, are bound to drown us in a sea of confusion.

BUDGET COMPARISONS DECEPTIVE

Total Federal spending in 1965 as a percentage of gross national product is not the lowest in 14 years and nondefense spending in relation to gross national product is not lower in 1965 than it was in 1935; it is higher. Federal employment has been stable—at 2,345,000 in November 1963 and in May 1965—only because most of the new or expanded Federal programs are being carried out through State and local government employees whose number has been soaring, under Federal pressure and with Federal financing. While those employees are statistically classified as State and local, many of them carry out programs enacted by Congress, work under orders from Washington bureaus and are at least partly paid from Federal funds. Federal subventions to State and local governments have quadrupled in the past 10 years. L.B.J.'s boast in his budget message that Federal employment grew proportionately less than the U.S. population in the past 10 years neglected to mention that during that time civilian government employment (Federal-State-local) shot up 43 percent—compared with an increase in population of only 18 percent and in private employment of 11 percent. Ten years ago there was one person on the public civilian payroll for every eight in private employment. Today that ratio is down to 1:6:3. Where will it be 10 or 20 years hence at that rate of "progress"?

When Mr. Johnson talked about "total Federal spending" he was using an incorrect term. It is evident from the tables in his January 1965 budget that he was referring not to the cash-consolidated budget but to the administrative budget which now excludes about one-fourth of all Federal spending.

The administrative budget, when first established, was intended to give a comprehensive picture of Federal income and outgo. It still included 97 percent of the cash flow in the late 1940's. But then several major items were shifted from the admin-